

May 2, 1958

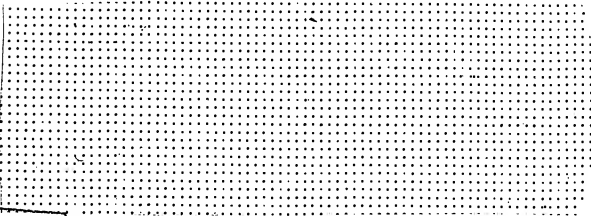
MEMORANDUM**EYES ONLY**

SUBJECT: Discussion at the 364th Meeting
of the National Security Council,
Thursday, May 1, 1958

Present at the 364th NSC Meeting were the President of the United States, presiding; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General; the Secretary of Commerce; the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission; the Federal Civil Defense Administrator; the Chairman, Council of Economic Advisers; Mr. J. Walter Yeagley, Department of Justice; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Deputy Secretary of Defense; the Secretaries of the Army, the Navy, and the Air Force; the Chief of Staff, U. S. Army; the Chief of Naval Operations; the Chief of Staff, U. S. Air Force; Lt. Gen. Verne J. McCaul for the Commandant, U. S. Marine Corps; the Deputy Assistant to the President; the Director, U. S. Information Agency; the Special Assistants to the President for Information Projects, for National Security Affairs, for Science and Technology, and for Security Operations Coordination; Assistant Secretary of Defense Sprague; the Naval Aide to the President; the White House Staff Secretary; Assistant Secretary of State Smith; Bryce N. Harlow, Administrative Assistant to the President; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

1. SIGNIFICANT WORLD DEVELOPMENTS AFFECTING U. S. SECURITY



In any case, May Day was almost over in Moscow. There had been a rather drab parade. Poor weather had prevented the usual fly-by, and nothing new was shown in the way of weapons.

Turning to the situation in Indonesia, Mr. Dulles pointed out that dissident forces based on Menado had staged an amphibious operation and seized ~~the~~ Moretai, situated in Helmahera Island and one of the best airfields in Indonesia. From the base at Menado the dissidents have staged a successful series of air strikes--almost too effective in certain instances, since they had resulted in the sinking of a British and of a Panamanian freighter. These raids were still run on a shoestring basis with a few P-51s and B-26s.

Meanwhile, on Sumatra dissident resistance has now been reduced to guerrilla operations. The dissident leaders have stayed behind in the Sumatran hills.

Mr. Dulles pointed out that the British had been obliged to send substantial reinforcements to Aden to assist in resisting attacks from Yemen. Yemen had been supplied with a large number of modern Soviet weapons. Aden itself is not in immediate danger, but this massive Soviet aid will make for a dangerous situation in the future,

The National Security Council:

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to developments in the Soviet ballistic missiles program; the May Day parade in Moscow; and the situations in Indonesia and Aden.

2. BASIC NATIONAL SECURITY POLICY
(NSC 5707/8; NIE 100-58; NSC 5810)

General Cutler briefed the Council in very considerable detail on the highlights of NSC 5810. The first part of his briefing consisted of a statement of the many factors which had influenced the Planning Board in its review of basic policy. He then read the eleven major factors which had influenced the review. Thereafter he indicated where the new guidance and new emphasis in NSC 5810 reflected the impact of these factors. To this end he read pages 2 and 3, the Outline of U. S. National Strategy, which he described as the skeleton of the policy guidance as a whole.

General Cutler's briefing then concerned itself with the principal new emphasis in NSC 5810. Having concluded this section of his briefing, he turned to two very significant paragraphs in the new statement, which repeated and continued in effect the text of last year's statement. The first, paragraph 14, dealt with limited military aggression. The second, paragraph 41, dealt with Communist China and Taiwan. General Cutler pointed out that while the Planning Board had not formally recommended a revision of either of these two paragraphs, he himself personally said he would report his own views, shared by some members of the Planning Board, on these two paragraphs. Thereafter he read his own suggested revision of paragraph 14. He indicated that his alternative draft for paragraph 14 would make two major changes in the existing policy guidance. First--that, in this period of relative nuclear parity, limited aggression may not always be confined to less developed areas. Second--that, in this period of relative nuclear parity, it may not be in the U. S. interest to deal with every limited aggression by applying whatever degree of military force was necessary to suppress it. In general, he described the purpose of his proposed changes as designed to ensure that the United States would have a flexible capability so that it could determine the application of force best serving U. S. interests under the circumstances existing in each case of limited military aggression. (A copy of General Cutler's briefing note, together with a statement of the "Major Factors Influencing the Review of Basic Policy" and General Cutler's "Alternative Version of Paragraph 14", are filed in the minutes of the meeting and also appended to this memorandum.)

After reading his alternative paragraph 14 and indicating the reasoning behind this suggested alternative, General Cutler first called on Secretary McElroy for comment.

Secretary McElroy observed that of course paragraph 14, on limited war, presented a subject of very great gravity. The subject had all the implications suggested by General Cutler's remarks with respect to our alliances. General Twining and he had just returned from the meeting of the Military Committee and the Defense Ministers of the North Atlantic Alliance.

Moreover, continued Secretary McElroy, these were not the only implications of General Cutler's revision of paragraph 14. There were grave potential budget implications. We are already launched on very extensive expenditure programs in the Department of Defense at the present time. While we need not necessarily stay on the same road along which these programs are taking us, the changes proposed by General Cutler as to increased capabilities for limited war could cost a great deal more money if they were not balanced by reductions in our expenditures to maintain our nuclear deterrent capability for massive retaliation.

In concluding his remarks, Secretary McElroy expressed the opinion that the subject of paragraph 14 was of the very greatest importance. Some of the Council members, and at least people in the Department of Defense, had not actually had adequate time to discuss and consider the problem of limited war as set forth in General Cutler's paragraph 14. While he was very much in favor of raising this problem for discussion in the National Security Council, he was opposed to any hasty decision as to how to meet the problem.

At Secretary McElroy's suggestion, General Cutler called on Secretary Quarles to add his thoughts on this subject. Secretary Quarles observed that the differences in the version of paragraph 14 contained in NSC 5810 and the alternative paragraph proposed by General Cutler, were rather subtle. Perhaps the single most important point underlying General Cutler's paragraph and reasoning could be expressed in some such way as this: Nuclear weapons will stalemate themselves and leave us and the Russians to fight wars with conventional weapons only. This was, of course, an overstatement. We can not exclude the use of nuclear weapons. We must, on the contrary, rely upon them. In the circumstances, therefore, the danger of speaking about a limited war involving the United States and the USSR is precisely that it would encourage this kind of erroneous thinking. It would be extremely dangerous, for example, to allow a concept to get out that if we were attacked in Berlin we would

not apply all the necessary military force required to repel the attack. Any other concept than this, as to our reaction to an attack on Berlin, would have the effect of inviting a Soviet attack. Accordingly, Secretary Quarles felt that the whole problem set forth in paragraph 14 deserved further thought before any decision was made.

General Cutler then called on General Twining, who briefly stated that the basic problem emphasized by General Cutler's alternative paragraph 14 was not new to the Joint Chiefs of Staff. It was old, and in essence it could be described by the question, do we de-emphasize our deterrent forces and increase our forces for limited war? He said he would like to have General Taylor address himself first to the problem, and thereafter to have the Council hear from the Chief of Staff of the Air Force, and finally again from General Twining himself.

General Cutler then called on General Taylor, who said he would present the views not only of himself but of the Chief of Naval Operations and of the Commandant of the Marine Corps. In reading his report, General Taylor noted the serious reverses which the United States in the last year had encountered in Indonesia, in the Middle East, and elsewhere. In the meanwhile, he pointed out, the Soviets had achieved virtual nuclear parity with the United States. This new and grave situation pointed up the need of the Joint Chiefs of Staff for new guidance. General Taylor's report called for greater flexibility in our military capabilities so that we were not faced with the alternatives of reacting to Soviet aggression by a massive nuclear strike or simply by retreating in the face of the aggression. General Taylor's report insisted that there should be no reduction in the strength of our nuclear deterrent capability, but at the same time it called for more adequate capabilities to resist limited aggression. The report also stressed the fact that limited war would not be confined, as in the current basic national security policy, to underdeveloped areas, but could occur in developed countries such as those making up the NATO Alliance in Europe. The United States should be able to face up to a Soviet military aggression even without the use of any nuclear weapons whatsoever, as well, of course, as having available a wide range of nuclear weapons with yields down to very small amounts of TNT equivalent.

General Taylor's report indicated the belief of its three sponsors that the U. S. nuclear deterrent capability was essentially a shield, whereas our active military capabilities must be those designed for the conduct of limited war. General Taylor believed that this issue was well posed in General Cutler's alternative draft of paragraph 14, adoption of which by the National Security Council could go far to provide the required new guidance on U. S. military strategy. General Taylor called for the immediate adoption of the alternative paragraph 14, on grounds that the matter had been

thoroughly studied and that nothing more would be gained from further reports on this subject emanating from the Joint Chiefs of Staff. (A copy of General Taylor's report is filed in the minutes of the meeting.)

In accordance with General Twining's proposal, General Taylor was followed by the Chief of Staff of the Air Force, General White, who likewise read a prepared written statement. He argued the Air Force position that NSC 5810 as written constituted a satisfactory statement of basic policy, although he said that the Air Force would recommend further discussion of the limited war problem if warranted after the study of this subject called for earlier by the National Security Council.

General White added his belief that U. S. military capabilities, both for general and for limited war, were now reasonably adequate. There were, of course, many other problems remaining. We must nourish the conviction that these military capabilities do exist. Otherwise we could inadvertently give currency to a belief that the U. S. response to local aggression would be ineffective.

Continuing, General White's report pointed out three areas which particularly required close scrutiny--guidance as to nuclear weapons use; general priorities for force composition; and the problem of local war. As to the first, NSC 5810 made a clear-cut statement that "we would place main but not sole reliance on nuclear weapons", and that these are considered "as conventional weapons from a military point of view". This was a realistic and essential doctrine.

The Air Force also believed that it found adequate guidance in NSC 5810 with respect to broad guidance on priorities for force composition. As stated in paragraph 14, these priorities were the development and maintenance of safeguarded and effective nuclear retaliatory power and the development and maintenance of adequate military programs for continental defense.

As for the problem of local aggression, this was described accurately in paragraph 14 as set forth in NSC 5810 (as opposed to General Cutler's alternative). We were to maintain forces "within the total U. S. military force", to deter, defeat, or hold local aggression--and the "prompt and resolute application of the degree of force necessary.....is considered the best means to keep hostilities from broadening into general war." NATO, according to present guidance, was properly excluded from the context of local aggression. (A copy of General White's written statement is filed in the minutes of the meeting.)

It then became the turn of General Twining to complete the presentation of the military points of view. Turning to the President, General Twining pointed out that the Council had now heard the compelling arguments, pro and con, with respect to the wording of

the basic security policy. His own approach, he said, would be a little different from that of Generals Taylor and White. He believed that we would have to assume, in the first instance, that in due course the basic philosophy of NSC 5810 would become known to the world at large. Accordingly, we would have to concern ourselves with three significant implications. First, what would be the impact of the philosophy of NSC 5810 on our Free World allies? Secondly, how would the Soviets interpret this document? Thirdly, what would the document do to our own national will to face the problems of the future with strength and resolution?

As to the matter of the confidence and will of our allies, General Twining described the meeting last month of the Military Committee and the Defense Ministers of NATO.

In short, adoption of General Cutler's proposed alternative paragraph 14 would have an extremely adverse effect on the NATO Alliance.

As to the second point--what the Soviets would deduce from a change in our policy along the lines suggested by General Cutler--General Twining pointed out his view that a deterrent would cease to be a deterrent if the enemy came to believe that we had lost our will to use it.

As for the third point--the effect of a change of policy in this matter on the people of the United States--General Twining stated his opinion that no free nation would long survive if its people will not accept grave risks in order to save their freedom. Our nation might perish if we come to believe that general war is a remote possibility and thus lose the will and courage to face the dangers of the actual world in which we live.

For these psychological reasons, if not for any other, General Twining strongly urged the retention of last year's wording, which was the same wording as presently written in the corresponding paragraphs of last year's statement of Basic National Security Policy (NSC 5707/8, paragraphs 14 and 15).

Going on, General Twining insisted that the United States already possessed strong capabilities for fighting limited war. Indeed, we had not fully used this capability in Korea, against China, in Indochina, and in Indonesia. In other words, political decisions had more bearing on involvement in limited war than does military capability. Moreover, there is a greater degree of flexibility in our present military structure than many people realize. The bulk

of our stockpile of atomic weapons, both in dollar value and in numbers, is in the low-yield variety, and this ratio is moving rapidly even more in the direction of the small weapons.

General Twining stated that he certainly had no closed mind on the subject of the composition of forces. However, he felt that no fire power of any kind is of any use if there is no will to use it. Also, any expansion of our forces designed for limited war would require considerably more of our resources, since it would be fatal to detract from the power of the strategic deterrent in order to provide forces of more limited capability.

General Twining concluded his remarks by stating that in his judgment we should not change the present statement of basic national security policy because of the serious adverse psychological reactions at home, in the minds of our allies, and in the minds of the Soviets. We could expand tactical type military forces within the terms of the present wording of the basic document, if we so desire. Secondly, we must accept the fact that any expansion of tactical type forces at the expense of the strategic deterrent is unacceptable at this time. (A copy of General Twining's statement is filed in the minutes of the meeting.)

When General Twining had concluded his remarks, General Cutler called on Secretary Dulles. Secretary Dulles stated that the topic on which the Chiefs of Staff had been speaking was one of tremendous importance. Turning to the President, he reminded him that some weeks ago the President had authorized the Secretary to discuss with the Secretary of Defense and others our existing strategic concepts. We have already had such a discussion. It was Secretary Dulles' belief that as matters were now proceeding one could foresee two or three years from the present that our principal allies will either demand that they be provided with a capability for local defense, or else they will disassociate themselves from their alliance with us. We have a certain historical association with some of the Western European governments, but the mass feeling in these Western European countries is such that one can foresee a change of thinking in these governments. In three years or so the peoples of these countries will not go along with the policies of the present governments. When this time approaches, these European countries will conclude that either we do not intend to resort to nuclear war to defend them against the Soviets, or, if they think that we will resort to such warfare, they will disassociate themselves from us. Accordingly, it seemed to Secretary Dulles urgent for us to develop the tactical defensive capabilities inherent in small "clean" nuclear weapons, so that we can devise a new strategic concept which will serve to maintain our allies and our security position in Western Europe.

Secretary Dulles went on to say that he realized that there was a great deal of truth in what General Twining had stated about the adverse psychological effect of a change in our policy with

respect to the nuclear deterrent and limited war. If, as General Twining argued, we could do all that was needed to develop greater capabilities for limited war under the terms of our existing basic policy, that was all well and good. But Secretary Dulles was not sure that this was in fact the case. At any rate, there must be an adequate capability to deal with wars not directly involving the United States and the USSR.

The United States, of course, has budgetary problems too. Whether we are making a wise and proper allocation of resources between the two main elements--viz., the deterrent forces and the forces for limited war--was hard for Secretary Dulles to judge as a layman; but he expressed the hope that our basic security policy, when we finally adopted it, won't compel us to allocate so much of our resources to maintenance of the nuclear deterrent that we will weaken our capability for limited war. As far as the State Department was concerned, mobile elements such as our aircraft carriers have in the past performed very useful services in support of our foreign policy. Perhaps the capability represented by such mobile forces is somewhat weakened now. This was not really necessary.

Secretary Dulles then turned to the other main point as he saw the picture. He did not think we should permit a dangerous gap in or an increasing doubt as to the willingness of the United States to resort to massive nuclear retaliation until such time as we have something to take its place. The massive nuclear deterrent was running its course as the principal element in our military arsenal, and very great emphasis must be placed on the elements which in the next two or three years can replace the massive nuclear retaliatory capability. In short, the United States must be in a position to fight defensive wars which do not involve the total defeat of the enemy. Our own military planning must shape up to meet conditions when governments such as those of Macmillan and Adenauer will have disappeared. If we have to keep our basic policy paper in the form and language that it presently has in order to avoid showing our hand, this was OK with Secretary Dulles. But we must do everything that is necessary in order to develop the supplementary strategy of which he had spoken.

Secretary Dulles also stated that he realized the budgetary implications of the point of view he was advancing. We have got to do all this in the way of military programs and still remain solvent. More than that, we must protect programs such as the mutual security program with which we wage the cold war. The military were afraid that resources required to enhance our capability for limited warfare would be diverted from the maintenance of our nuclear deterrent capability. This was a legitimate fear, but Secretary Dulles also feared that resources which should be allocated to the mutual security program might be diverted to assisting in the maintenance of our military programs.

In conclusion, Secretary Dulles expressed the opinion that, while NSC 5810 was a most interesting and challenging paper, he thought that the problems set forth in it required further study. Consideration of NSC 5810 could well occupy the time of the National Security Council for more than one session. It goes to the very heart of our policy in many more respects than had been discussed thus far. He personally would like to have more time to study the paper, inasmuch as he had only got around to it a day or two ago, and we all around the table had so many things to do. For example, he particularly wanted to talk further about the paper with Secretary McElroy and Secretary Anderson.

When Secretary Dulles had concluded his comments, General Outler asked if there were others. The President replied that he had a couple of questions. Someone had remarked that mutual deterrence was an umbrella under which small wars could be fought without starting a global war--small wars even in the NATO area. The analogy of the umbrella did not seem appropriate to the President. Actually, the umbrella would be a lightning rod. Each small war makes global war the more likely. For example, the President said he simply could not believe that if the Soviets tried to seize Austria we could fight them in what the President called a nice, sweet, World War II type of war. This seemed very unrealistic to the President, and he felt that the matter must be looked into much more deeply.

The President then posed his second question. We really are faced with two possible courses of action. If we strengthen the mobile and tactical types of forces, either we do so by decreasing the strength of our nuclear deterrent force or else we will have to accept a massive increase in the resources to be devoted to our military defenses. If we accept the latter alternative, we have got to decide promptly by what methods we are going to maintain very much larger military forces than we have previously done. These methods would almost certainly involve what is euphemistically called a controlled economy, but which in effect would amount to a garrison state. For these reasons the President expressed his satisfaction that we were raising this most serious problem. This one paper, NSC 5810, said the President, was worth all the NSC policy papers which he had read in the last six months.

In his concluding remarks, the President again expressed strong doubts as to whether we could fight a limited war in the NATO area. At any rate, the President said he would not want to be the one to withhold resort to the use of nuclear weapons if the Soviets attacked in the NATO area. However, he said, he did not wish to be prejudiced in his judgments, and he was ready to be convinced of the contrary if this could be done. Obviously the Secretary of State takes the opposite view. The President wanted the case to be argued more fully.

Lastly, said the President, we were in great need of more definite information as to the exact size of the deterrent forces which we need today and which we will need over the next few years. This precise information should be brought out and discussed right here at the Council table.

Secretary Dulles quickly replied that he had never meant to say that we could keep a war in Europe within bounds and prevent its spreading into global war. What he had said was that unless we could satisfy our allies that they possess some kind of local military capability to defend themselves by other means than our resort to massive nuclear retaliation, we would lose our allies. The President replied by asking what else we had been trying to do these last years but try to induce our allies to provide themselves with just such a local defensive capability and, moreover, doing our best to help them achieve such a capability.

Secretary Dulles agreed that the President's observation was right, but expressed doubts as to whether we had been giving them the right kind of military assistance. What was needed was a modernization of the military capabilities of our European allies. These allies must at least have the illusion that they have some kind of defensive capability against the Soviets other than the United States using a pushbutton to start a global nuclear war. The President again expressed bewilderment. What possibility was there, he asked, that facing 175 Soviet divisions, well armed both with conventional and nuclear weapons, that our six divisions together with the NATO divisions could oppose such a vast force in a limited war in Europe with the Soviets?

Secretary Dulles responded by citing the example of Korea. We feel that there is an adequate deterrent to the renewal of Communist aggression against South Korea. This deterrent consists of our nuclear capability based on Okinawa. Nevertheless, we and the South Koreans maintain on South Korean territory 22 divisions, two of which are U. S.. Why do we do so? Primarily for political and psychological reasons. The South Koreans want to see defensive forces on their own soil. The same thing applies in Europe. It may well prove that local wars in Europe will spread into general nuclear war. But even so, we do not want to lose our allies before the war even starts. The President replied that it would be splendid

if we could induce our NATO allies to maintain proportionately as many divisions as the South Koreans maintain in South Korea. Secretary Dulles said that we might indeed be able to do so if we were willing to pay out in military assistance to our European allies sums proportionate to the sums we provided to South Korea.

At this point General Cutler suggested what he regarded as a suitable Council action with respect to the military strategy paragraphs of NSC 5810, and suggested that the Council turn its attention to other problems which arose in connection with other portions of NSC 5810.

Mr. Allen Dulles asked to speak before the Council finished its consideration of the military strategy sections of NSC 5810. He pointed out that it was in the newly developing areas of the world that the United States was suffering the hardest blows. We were quite thin in our resources to meet situations such as that in Indonesia at the present time and situations like it which might develop very soon in Laos. We should and can do more to meet such situations as these. In order to do so we need more funds, at least \$50 million additional. The President expressed his agreement with Mr. Dulles' suggestion, and said he was sorry that Mr. Dulles had not asked for more money if he needed it. Mr. Dulles pointed out at once that this was not the fault of the Bureau of the Budget.

Secretary Dulles said that he would presently go to Berlin. When he got there he would repeat what he had said in Berlin four years ago--namely, that an attack on Berlin would be considered by us to be an attack on the United States. Secretary Dulles added that he did not know whether he himself quite believed this or, indeed, whether his audience would believe it. But he was going to perform this ritual act. The President expressed surprise, and said that if we did not respond in this fashion to a Soviet attack on Berlin, we would first lose the city itself and, shortly after, all of Western Europe. If all of Western Europe fell into the hands of the Soviet Union and thus added its great industrial plant to the USSR's already great industrial might, the United States would indeed be reduced to the character of a garrison state if it was to survive at all.

Secretary Anderson said he wished to comment on General Cutler's proposal with respect to Council action on paragraphs 13 and 14 and the other military strategy paragraphs of NSC 5810. He explained that he hoped that the Council would have the opportunity for a much longer discussion of the subject. He agreed with the President's estimate of the great significance of this paper. However, we were confronted by a differing judgment as to the facts of the situation. General Twining states that we have already achieved an adequate capability for conducting limited war. General Taylor says that we do not have such an adequate capability. General Twining stated his agreement with Secretary Anderson's remark, whereas General Taylor said that this was not a question of black and white but a question of judgment or of degree. General Cutler said that he was by no means suggesting that there be no further discussion of this problem. Secretary McElroy gave his support to the Council action suggested by General Cutler. He said also that he was so impressed with General Twining's comments on the psychological importance of making a basic change in our military strategy, that he believed that if we did change the policy in this respect the new language should be consigned to a limited-distribution annex.

General Cutler then went back to his briefing note in order to deal with the second of the two most significant paragraphs in the new statement--namely paragraph 41, dealing with Communist China. He pointed out that paragraph 41 in NSC 5810 repeated the guidance in last year's basic policy with respect to Communist China. However, this paragraph contained no guidance as to a future attempt by other nations to seat Red China, rather than the Chinese Nationalist Government, in the United Nations. In view of the fact that there were many straws in the wind to indicate that such a move might be made, and that the United States might not be able to block it, he personally believed, along with certain Planning Board members, that the United States should be considering now, while it still enjoys its strong majority in the UN, alternative ways of dealing with such a contingency, and of finding a way to preserve the independence of Taiwan despite the loss of its status as representative in the UN of all China. Upon concluding his remarks, General Cutler asked Secretary Dulles to speak to this problem.

Secretary Dulles pointed out that, in line with General Twining's fears as to the unfortunate psychological impact of a change in basic policy, he believed that the last thing in the world we would want to commit to writing was a proposal of the sort suggested by General Cutler for paragraph 41. Furthermore, he doubted whether the tide was actually running against the United States in the UN with respect to seating Communist China. On the contrary, there was some evidence that the tide had turned in favor of our position against the admission of Red China. For example, the United Kingdom has committed itself to support the moratorium during the lifetime of the Macmillan government. Secretary Dulles doubted, therefore, whether any change in British policy on this subject was imminent.

General Cutler asked if there would not certainly be a change if Aneurin Bevan were soon to become Foreign Secretary. To this point, Secretary Dulles replied that if we were to review all our policies on such assumptions as this, there were a lot more significant changes to be made than our attitude toward the admission of Red China to the UN. If Bevan became Foreign Secretary, we would presumably be ousted from all our missile bases in the United Kingdom.

The President expressed the belief that if the United States were to recognize Red China and agree to the admission of Red China to the United Nations, there would be a wave of insistence in Congress and among the American people that the United States withdraw completely from the UN.

General Cutler next directed the Council's attention to the first of five splits of view to be resolved by the Council. All these splits dealt with foreign economic matters. The first occurred on page 12, in paragraph 27-d, reading as follows:

"d. Because many less developed nations depend for economic growth on exports of a few basic commodities, their development programs are adversely affected by large fluctuations in prices of such commodities. If necessary for political reasons, the United States should, on occasion, join in a multilateral examination of price, production, and demand trends which might help to promote readjustments between supply and demand and reduce price fluctuations. /But the United States should not discuss the making of, or participate in, any international commodity agreement without the specific approval of the President./"

"* Treasury-Commerce proposal."

General Cutler pointed out that Mr. Randall had called attention to the fact that the CFEP, on October 11, 1955, generally disapproved of international commodity agreements, and that CFEP policy requires interagency policy-level approval before such an agreement may be discussed with a foreign nation. Neither of these points was reflected in paragraph 27-d, and Mr. Randall believed that the whole subparagraph should be deleted until present policy in this regard is first modified by the CFEP. Accordingly, General Cutler suggested that the subparagraph be deleted and its substance referred to the CFEP for action.

Secretary Dulles said that there was a statement made, he believed, at the 1957 conference at Buenos Aires which was based on the President's approved policy with respect to the problem of international commodity agreements and related matters. He therefore

suggested that since this statement had been approved by the President, it should be inserted in NSC 5810 in place of the present subparagraph 27-d.

General Cutler asked Secretary Dulles if it were not possible to send the substance of this subparagraph to the CFEP for consideration by that body as having jurisdiction in this field. Secretary Dulles said he could not understand why this was necessary, inasmuch as the policy statement he was referring to had already been made by the President. Secretary Anderson suggested that decision should be delayed so that we could determine whether what was said at Buenos Aires on this matter in 1957 continued to be what we still believed to be wise policy. Secretary Dulles said he had no intention of going beyond what we had said at Buenos Aires, and handed the President a copy of the Buenos Aires statement. The President then suggested that the substance of subparagraph 27-d be transmitted to the CFEP together with Secretary Dulles' statement made at Buenos Aires. Secretary Dulles said he merely wanted to state that any severe inhibition such as proposed by Treasury and Commerce in the bracketed portion of subparagraph 27-d, against even considering or discussing international commodity agreements with our Latin American friends, would have catastrophic repercussions throughout Latin America. The President agreed that this was true, but also warned against the danger of price-fixing as an actual U. S. course of action. Secretary Anderson also expressed great concern about the problem, but likewise agreed that we could not certainly state that we would not even discuss it with our Latin American neighbors. The President added that extreme care must be taken with regard to the wording of the policy guidance on this problem.

General Cutler then invited the Council's attention to the split in paragraph 27-g(6), reading as follows:

"(6) Be prepared to consider, on a case-by-case basis, participation with other Free World nations in multilateral development projects or funds."

*** Treasury and Commerce propose deletion.***

He added that since NSC 5810 had been circulated, State, Treasury and Commerce had agreed to a rewording of this subparagraph. General Cutler read the agreed rewording, and it was accepted by the Council.

General Cutler then moved on to subparagraph 37-c, dealing with Communist China and reading as follows:

"c. The United States should continue its unilateral embargo on trade with [similarly liberalize its trade policies with] * Communist China, North Korea, and North Vietnam.

*** ODM alternative proposal.***

He pointed out his agreement with the position of Mr. Randall that proposals such as this, for changes in our economic defense policy, should be made first in the Council on Foreign Economic Policy. He then called on Mr. Gray to speak to the proposed ODM amendment of subparagraph 37-a.

Mr. Gray stated that he was agreeable to sending the subparagraph to the CFEP for prior consideration, but that he had changed his mind recently with respect to the liberalization of U. S. trade with Communist China, and felt that the ODM proposal had merit substantively. He accordingly said that he wished to make his position clear when this matter was considered subsequent to CFEP consideration.

The next split related to subparagraph 29-a, reading as follows:

"a. The total level of U. S. economic assistance world-wide should be consistent with the objectives we seek to achieve in the world, such as peace, the security and economic vitality of the United States, the independence of the new states, long-range security interests, and the development of future markets. /Increases in economic development assistance should, to the extent politically and militarily feasible, be offset by decreases in other economic or in military assistance programs./"

"* Treasury and Budget proposal."

General Cutler called on Secretary Anderson to explain why the Treasury Department believed that the bracketed language in this subparagraph should be included in NSC 5810.

Secretary Anderson replied that we simply could not go on compounding all these assistance programs for foreign countries. The matter was as simple as that. In support of this view he noted how paragraph 43 of the paper called for a strong, healthy, expanding U. S. economy, and warned against the dangers of inflation. In turn, the Director of the Bureau of the Budget pointed out that statements such as that proposed by the Treasury and the Budget had been in all our basic policy statements since 1953. Accordingly, its deletion from NSC 5810 would take on greater significance than was usual. Furthermore, he thought that the qualifying language, "to the extent politically and militarily feasible", would provide sufficient opportunity to make exceptions to the general rule that increases should be offset by decreases.

Secretary Dulles expressed a strong distaste for the proposed language. He realized that all such matters as this must come before the Bureau of the Budget, but if this language were included

and you needed to increase economic assistance to some country, you would find that you could not make the increase on the basis of its intrinsic merits. You would have to reduce military assistance first. This procedure would prove to be altogether too mechanistic in operation, so that it might be impossible to increase our economic assistance to a given nation even when it was clearly in the U. S. national interest.

The President inquired of Secretary Dulles whether the inclusion of this language in previous statements of basic national security policy had occasioned difficulties for the State Department in its desire to increase economic assistance. Secretary Dulles replied that, on the contrary, up to now this language had been a dead letter. The President said that he thought so, and that there was a good deal of merit in Mr. Stans' argument.

General Cutler told the President that it was the President himself who had provided this phraseology that was originally adopted. The President said probably so; we are trying to save money. This sentence constitutes a warning, and it would certainly do no harm to include it. General Cutler also pushed for inclusion of the bracketed language, and Secretary Dulles agreed to accept it.

Director Stans then said that he had certain other suggestions to make for changes. He asked the Council to look at subparagraph 43-b, and suggested that the final sentence of this subparagraph be revised to read as follows:

"Constant efforts should be made to eliminate waste, duplication, unnecessary overhead, and unnecessary facilities and activities of the Federal Government."

There was agreement to add the language recommended by Mr. Stans.

Mr. Stans then called the Council's attention to subparagraph 4-a, on page 2, reading as follows:

"d. To engage successfully in a world-wide peaceful contest with the USSR, and thus to achieve its basic objective."

Mr. Stans called for the elimination of all of this phraseology except the final section, "thus to achieve its basic objective." He feared that if all the phraseology in the subparagraph as written were accepted, the United States would be called upon to achieve superiority over the USSR on every single competitive front, and this was simply too much to expect. General Cutler explained the feeling of the Planning Board as to the importance of successful peaceful competition with the Soviet Union, but Mr. Stans said this idea was covered already in paragraph 6; and he repeated his objections to the phraseology. General Cutler said that he did not read

this language as Mr. Stans did. He did not believe that the Planning Board intended that the United States should have to be superior in every single field of competition, but that it must be able to win in the over-all struggle. Secretary Dulles suggested that Mr. Stans' problem could be met by the insertion of the word "over-all". The Council accepted this revision.

The Director of USIA stated that he had a number of reservations with respect to NSC 5810, but he would bring up only one of them at the present time. He asked the Council to look at the first line of paragraph 18, reading as follows:

"18. The United States should continue efforts to persuade its allies to recognize nuclear weapons as an integral part of the arsenal of the Free World and the need for their prompt and selective use when required."

Mr. Allen found the suggestion of pressure on our allies unsuitable. He pointed out that in the forthcoming national elections in Greece the outcome seemed to turn on the question of whether or not the United States was pressing the Greeks to permit the installation of missile bases and nuclear weapons in Greece. Mr. Allen believed that we would obtain better results if we adopted the attitude of waiting to be asked by our allies to install bases and provide nuclear weapons, rather than to press them to accept such weapons.

The President said he did not believe that we had ever intended to press any of our allies to accept missile bases. If we had done so, he agreed with Mr. Allen that these were poor tactics. It was the President's understanding of this sentence that it meant only that our allies agreed to our use of nuclear weapons, and not to the establishment of bases in allied countries from which such weapons could be used. Secretary Dulles resolved the impasse by suggesting the language "to educate our allies" instead of "to persuade" them. The Council agreed to the adoption of this language.

Secretary Dulles then said that he had a question to raise with respect to subparagraph 43-a, reading as follows:

"a. A strong, healthy and expanding economy is essential to U. S. national security and to the security and stability of the rest of the Free World. A prolonged and severe U. S. recession would have very serious effects on the economic growth and political stability of the Free World."

Secretary Dulles said he took exception to the inclusion of the adjectives "prolonged" and "severe". A U. S. recession could have serious consequences in the Free World even if it were not prolonged and severe. Indeed, the present U. S. recession is already having a

serious effect on the Free World. Secretary Anderson agreed with the Secretary of State that these adjectives were not suitable, but did not know what adjectives to use to replace them. Secretary Dulles then suggested the language, "A U. S. recession could have serious effects, etc., etc.". This proposal was favorably received by the Council.

General Cutler then said that as the final item of today's meeting he would like to suggest a change in subparagraph 6-e, reading as follows:

"e. To deter Communist limited military aggression or, if necessary, to defeat such aggression in a manner and on a scale best calculated to keep hostilities from broadening into general war."

General Cutler suggested dropping the term "Communist", on the ground that while, of course, we wished to stop Communist aggression, we likewise wanted to deter any limited military aggression. Secretary Dulles replied that deleting the term "Communist" would have serious implications and would greatly enlarge our current commitments to deter aggression. We should consider carefully whether or not it was wise so to enlarge our responsibilities. What, for example, would we be expected to do in the event of a war between India and Pakistan? General Cutler immediately suggested that Council action on this item be deferred pending the studies which were to be submitted by the Department of Defense in June with respect to the general problem of revising the military strategy outlined in NSC 5810.

The National Security Council:

- a. Discussed the draft statement of Basic National Security Policy contained in NSC 5810; in the light of the views of the Joint Chiefs of Staff thereon (particularly with reference to paragraphs 13 and 14), as presented orally at the meeting.
- b. Adopted the statement of policy in NSC 5810, subject to:
 - (1) Page 2, subparagraph 4-d, next-to-last line: Changing "a world-wide" to read "an over-all world-wide".
 - (2) Page 3, subparagraph 6-e: Review of the wording of this subparagraph in the light of the recommendations by the Department of Defense pursuant to (3) below.
 - (3) Page 5, paragraphs 13 and 14: The tentative inclusion, as paragraphs 13 and 14 in NSC 5810, of existing basic policy in paragraphs 14 and 15 of NSC 5707/6 without change; pending submis-

sion on or before June 16, 1958, by the Department of Defense (perhaps in the form of a limited-distribution supplement) of recommendations for any revision of the military strategy outlined in NSC 5810 as amended, after further consideration in the light of Council discussion at this meeting.

- (4) Page 7, paragraph 18, 1st and 2nd lines: Revision of "to persuade its allies to recognize" to read "to educate its allies as to the importance of".
- (5) Page 12, subparagraph 27-d: Deletion of this subparagraph, and referral of it and the alternative proposed by the Secretary of State to the Council on Foreign Economic Policy for review of existing policy on international commodity agreements and advice on June 2, 1958, to the National Security Council as to the results of such review.
- (6) Page 12, subparagraph 27-e: Relettering as subparagraph 27-d, and substitution for the bracketed subparagraph (6) thereof and the footnote thereto, of the following:

"(6) Be prepared to study the acceptability of proposals for the establishment of international institutions for development financing."
- (7) Page 13, subparagraph 29-a: Inclusion of the bracketed sentence and deletion of the footnote thereto.
- (8) Page 18, subparagraph 37-c: Deletion of the bracketed words and the footnote thereto.
- (9) Page 21, subparagraph 43-a, 2nd sentence: Substitution for "A prolonged and severe U. S. recession would" of the words "A U. S. recession could".
- (10) Page 21, subparagraph 43-b, last line: Insertion, after "unnecessary facilities", of the words "and activities".

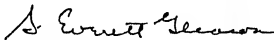
NOTE: NSC 5810, as adopted subject to the amendments and provisos in b above, approved by the President and circulated as NSC 5810/1 for implementation by all

NOTE (Continued):

appropriate Executive departments and agencies of the U. S. Government, with the understanding that final determination on budget requests based thereon will be made by the President after normal budgetary review. NSC 5810/1 supersedes NSC 5707/8, and is the basic guide in the implementation of all other national security policies, superseding any provisions in such other policies as may be in conflict with it. Progress reports to the National Security Council on other policies should include specific reference to policies which have been modified by NSC 5810/1.

The action in b-(2) and -(3) above, as approved by the President, subsequently transmitted to the Secretary of Defense for appropriate action.

The action in b-(5) above, as approved by the President, subsequently transmitted to the Chairman, CFEP, for appropriate action.



S. EVERETT GLEASON